

AN ORDINANCE

96621

AMENDING THE CITY'S TAX INCREMENT FINANCING (TIF) GUIDELINES AS AMENDED AND APPROVED BY ORDINANCE NUMBER 92710 ON OCTOBER 12, 2000; APPROVING A SCHEDULE OF FEES FOR THE APPLICATION AND PROCESSING OF TIF APPLICATIONS AS WELL AS THE ADMINISTRATION OF REINVESTMENT ZONES; ESTABLISHING ONE CENTRAL TIF UNIT WITHIN THE NEIGHBORHOOD ACTION DEPARTMENT TO ADMINISTER ALL RESIDENTIAL AND COMMERCIAL TIF PROJECTS; ESTABLISHING A FUND AND APPROVING A BUDGET; APPROVING A STAFFING COMPLEMENT FOR THE TIF UNIT FOR A FIRST-YEAR COST OF \$432,350.00; AMENDING THE FY 2002-2003 ADOPTED BUDGET; AND AMENDING THE CITY CODE OF SAN ANTONIO, TEXAS, CHAPTER 6, BUILDINGS, ARTICLE XII, SECTION 6-301 BY ADDING A NEW SUBPARAGRAPH (b) (5) TO INCLUDE TAX INCREMENT FINANCING IN A TAX INCREMENT REINVESTMENT ZONE ESTABLISHED IN ACCORDANCE WITH THE TAX INCREMENT FINANCING ACT.

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WHEREAS, in July of 1998, pursuant to recommendations from the Community Revitalization Action Group, the City Council adopted the *City of San Antonio, Texas Guidelines and Criteria for Tax Increment Financing (TIF) and Reinvestment Zones* (hereinafter "Guidelines") to serve as policy direction to City staff, potential applicants, and interested parties regarding the application of tax increment financing to support public improvements within certain designated areas of the City;

WHEREAS, TIF is an economic development tool codified as the Texas Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311, and used by the City of San Antonio to finance needed public improvements primarily inside Loop 410 and South of Highway 90; and

WHEREAS, City Council approved an updated version of the Guidelines on September 21, 2000, and amended them on October 12, 2000 by Ordinance Number 92710, effective through September 30, 2002; and

WHEREAS, the Neighborhood Action Department (hereinafter "NAD") of the City of San Antonio, in consultation with the Housing and Neighborhood Action Team, the Urban Affairs Council Committee, and various government and private groups interested in economic development and community revitalization, has revised the Guidelines to better serve the needs of designated areas of the City; and

WHEREAS, over thirteen revisions to the Guidelines are proposed by NAD, with input from the Public Works and Parks and Recreation Departments, Development Services,

the Fire and Planning Departments, which are designed towards improving the quality of residential and commercial developments in the City, pursue higher standards for projects assisted through City programs, and strive to enhance the infrastructure of economically distressed, unproductive, underdeveloped or blighted areas in the City; and

WHEREAS, one key aspect of the proposed revisions is a schedule of fees for the application and processing of TIF applications as well as the administration of Tax Increment Reinvestment Zones (hereinafter "TIRZ"), to support the City's costs of processing and administrating costs of TIF Projects, based upon the actual staff hours spent processing applications and developing TIF documents; and

WHEREAS, the proposed non-refundable, non-reimbursable application fee of \$3,000.00 will support administration costs of initial review for completeness, the internal review processes, and the preparation of the Resolution of Intent; and

WHEREAS, the proposed \$31,000.00 processing fee, proposed to be paid by a developer no later than ten days after the City Council has approved a Resolution of Intent, is reimbursable to the developer with available TIF funds and will support administrative costs of processing requirements, scrub team coordination, participating taxing entity presentations, the designation of the TIRZ, preparation of TIRZ plans, and preparation and negotiation of applicable legal documents; and

WHEREAS, the administrative fees for each TIRZ will be used to support the ongoing annual monitoring activities required for each TIRZ, including staffing TIRZ Board meetings and is proposed to be ten percent (10%) of the total projected revenues for the first year for each newly created TIRZ or \$75,000.00, whichever is the lesser of the two, which will be divided among all participating taxing entities; and

WHEREAS, the proposed administrative fees received from the second year through the end of the TIRZ is proposed to be five percent (5%) of the annual projected revenues or \$50,000.00, whichever is the lesser of the two, to be retained by the City of San Antonio for annual administration for the life of the TIRZ; and

WHEREAS, in addition to the proposed Guidelines revisions, NAD recommends the establishment of one central TIF Unit within its Department to more effectively administer all residential and commercial TIF Projects, and

WHEREAS, the benefits of the proposed TIF Unit include improved management and monitoring of existing TIF Projects, an increased number of new processed applications, improved processing time of new applications as well as improved responsiveness and customer service, refocused development in targeted areas using City incentive tools, the increased quality of developments by requiring higher development standards; and

WHEREAS, with the establishment of a TIF Unit, it will be necessary to amend the Fiscal Year 2002-2003 budget, establish a TIF Unit Fund and approve a budget for the

TIF Unit, with a one-time funding into the proposed TIF Fund in the amount of \$52,031.00 for the transfer of one existing position; and

WHEREAS, the remainder of the TIF Unit staffing complement is seven new full-time employees in Fiscal Year 2003, for a first-year cost of \$380,319.00; and

WHEREAS, it is projected that all future costs associated with the TIF Unit will be funded through the proposed TIF fees; and

WHEREAS, on April 18, 2002, by Ordinance Number 95641, the City Council amended Chapter 6 of the San Antonio City Code to require specific design features to create barrier-free construction in new single family homes, duplexes and triplexes built with financial assistance from the City; and

WHEREAS, the City Council finds that Tax Increment Financing Projects should also be required to comply with the universal design features; and

WHEREAS, Chapter, 6, Section 6-301 of the San Antonio City Code does not currently provide authorization for the City to require Tax Increment Financing Projects to comply with the Universal Design Ordinance; and

WHEREAS, amending Chapter 6, Section 6-301 of the City Code to include Tax Increment Financing Projects to the list of funds, the disbursement from which requires compliance with the Universal Design Ordinance, will give the City legal authority to require developer and builder's compliance with the provision; and

WHEREAS, NAD staff presented proposed revisions and amendments to the Guidelines to the Housing and Neighborhood Action Team on September 18, 2002, to Management Team on September 24, 2002, and October 8, 2002, and to the Urban Affairs Committee on October 15, 2002, and received favorable review; and

WHEREAS, the City Council finds that the proposed recommendations to amend the Guidelines, approve a schedule of fees for the application and processing of TIF applications as well as the administration of reinvestment zones, establish one central TIF Unit within NAD to administer all residential and commercial TIF projects, establish a fund and approve a budget, approve a staffing complement for the TIF Unit for a first-year ten-month Fiscal Year 2003 cost of \$432,350.00, amend the FY 2002-2003 adopted budget, and amend the City Code of San Antonio, Texas, Chapter 6, Buildings, Article XII, Section 6-301 by adding a new subparagraph (b) (5) to include tax increment financing in a Tax Increment Reinvestment Zone established in accordance with the Tax Increment Financing Act, is consistent with the City's primary purpose of using tax increment financing to encourage community revitalization and economic development within designated areas of the City; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The revised *City of San Antonio, Texas Guidelines and Criteria for Tax Increment Financing (TIF) and Reinvestment Zones* (hereinafter "Guidelines"), a copy of which is incorporated herein and attached hereto as Exhibit "A" is hereby adopted and approved as guidelines and criteria governing Tax Increment Financing for the City of San Antonio.

SECTION 2. All pending applications to request tax increment financing shall be processed in accordance with the revised Guidelines. The word "pending" herein shall mean applications on which City Council has not yet held a public hearing to consider whether to designate the requested Tax Increment Financing Reinvestment Zone.

SECTION 3. The revised Guidelines approved in Section 1 of this Ordinance shall be effective through September 30, 2004. Until that time, the revised Guidelines may be amended or repealed only by a vote of a majority of the members of the City Council.

SECTION 4. The schedule of fees for the application and processing of TIF applications as well as the administrative fees for the administration of reinvestment zones contained in the Guidelines is hereby adopted and approved.

SECTION 5: The Director of Finance is authorized to establish a new Special Revenue Fund, Fund 29-036000 entitled "TIF Unit Fund", to administer all residential and new commercial TIF projects. The Director of Finance is authorized to record and account for the fund in accordance with Generally Accepted Accounting Principles (GAAP).

SECTION 6: The fees authorized by this ordinance in the amount of \$312,000.00 are to be deposited in Fund 29-036000 in the index codes indicated in Attachment B and budgets are authorized for establishment.

SECTION 7: Funds in the amount of \$152,031.00 are appropriated in Fund 11-000000 (General Fund) and Fund 29-036000 in the index codes indicated below:

Index Code	Title	Amount
Transfers In:		
113449	Miscellaneous Revenue-Gen Fund Transfer-TIF	\$100,000.00
113456	Miscellaneous Revenue-One Time Gen Fund Transfer	<u>\$ 52,031.00</u>
		\$152,031.00
Transfers Out:		
921130	Transfer to TIF Unit	\$100,000.00
921247	One Time Transfer to TIF Unit	<u>\$ 52,031.00</u>
		\$152,031.00

The Director of Finance shall execute the indicated transfers in the amounts set forth unless such amounts are inconsistent with other legal requirements.

SECTION 8: Funds in the amount of \$432,350.00 are authorized for appropriation in Fund 29-036000 in the index codes indicated in Attachment B.

SECTION 9: The following existing position is authorized for transfer from Fund 11-000000 Activity 61-01-01 to Fund 29-036000 Activity 61-01-06:

Special Projects Officer

Job Class 0865

SECTION 10: Seven new positions are hereby authorized in Fund 29-036000 and are to be charged as indicated below:

Position Index Code	Job Class	Activity
Special Projects Coordinator 752709	0870	61-01-06
Financial Analyst 752709	0817	61-01-06
Financial Analyst 752709	0817	61-01-06
Construction Coordinator 752709	0135	61-01-06
Assistant City Attorney III 752709	0065	61-01-06
Sr. Planner 752709	0161	61-01-06
Administrative Assistant I 752709	0040	61-01-06

SECTION 11. Chapter Six, Article XII, Section 6-301 (entitled “Applicability”) is hereby amended by adding the language that is underlined (added) to the existing text of said section as follows:

Sec. 6-301. Applicability.

- (a) This article applies to the construction of all new single family homes, duplexes or triplexes, for which an application for financial assistance from the City of San Antonio or its agents is received and for which a building permit will be issued under the City of San Antonio Building Code after the effective date of this ordinance.
- (b) City of San Antonio financial assistance covered by this article includes but is not limited to:
 - (1) Contractual agreements involving a City of San Antonio funded program or fund, including the San Antonio Housing Trust Foundation, Inc. or similar programs;
 - (2) Real estate purchase, lease, fee waiver, tax phase in, tax abatement;
 - (3) Donation of land by the City of San Antonio or its agents; or

- (4) Disbursement of federal, state, or city construction funds, for example but not limited to, U. S. Department of Housing and Urban Development funds such as Community Development Block Grant Program (CDBG) funds, Housing Investments Partnership Act (HOME Program) funds, and Housing Opportunities for Persons With Aids Program funds, and funds disbursed under the Federal Emergency Management Act; or
- (5) Tax Increment Financing in a Tax Increment Reinvestment Zone established in accordance with the Tax Increment Financing Act.


SECTION 12. Should any article, section, part, paragraph, sentence, phrase, clause, or word of this Ordinance, or any appendix hereof, for any reason, be held illegal, or invalid, or any exception to or limitation upon any general provision contained in this Ordinance or its attachments or held to be unconstitutional or invalid, the remainder shall, nevertheless, stand as effective and as valid as if it had been enacted and ordained without the portion held to be unconstitutional or invalid.


SECTION 13. The financial allocations in this Ordinance are subject to approval by the Director of Finance of the City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Index Codes and Fund Numbers as necessary to carry out the purpose of this Ordinance.

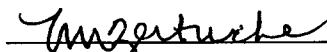
SECTION 14. The City Clerk for the City of San Antonio is hereby directed to publish notice of the Ordinance as required by the Charter of City of San Antonio and the laws of the State of Texas.

SECTION 15. This ordinance shall take effect on the tenth day from the date of passage hereof.

PASSED AND APPROVED this 24th day of October, 2002.


for M A Y O R PRO TEM

ATTEST: 
ASSISTANT City Clerk

APPROVED AS TO FORM: 
for City Attorney